

**AMENDMENTS TO THE CLAIMS:**

Claims 1-22 (canceled)

Claim 23 (new) An IPS-LCD with a compensation electrode structure, comprising:

- a substrate;
  - a common electrode over a portion of the substrate;
  - an insulating layer covering the common electrode and the substrate;
  - a compensation electrode over a first portion of the insulating layer; and
  - a pixel electrode over a second portion of the insulating layer;
- wherein the compensation electrode overlaps the common electrode.

Claim 24 (new) The IPS-LCD with a compensation electrode structure as claimed in claim 23, wherein the compensation electrode is electrically connected to the common electrode via a through hole in the insulating layer.

Claim 25 (new) The IPS-LCD with a compensation electrode structure as claimed in claim 23, wherein the pixel electrode and the compensation electrode are made of a transparent conductive material.

Claim 26 (new) The IPS-LCD with a compensation electrode structure as claimed in claim 25, wherein the transparent conductive material is ITO or IZO.

Claim 27 (new) The IPS-LCD with a compensation electrode structure as claimed in claim 23, wherein the common electrode is made of a non-transparent conductive material.

Claim 28 (new) The IPS-LCD with a compensation electrode structure as claimed in claim 27, wherein the non-transparent conductive material is Al or MoW.

Claim 29 (new) The IPS-LCD with a compensation electrode structure as claimed in claim 23, wherein the compensation electrode and the pixel electrode are coplanar.

Claim 30 (new) The IPS-LCD with a compensation electrode structure as claimed in claim 23, wherein a width W1 of the common electrode and a width W3 of the compensation electrode satisfy the formula:  $W3 - W1 \geq 1\mu\text{m}$ .

Claim 31 (new) A method of forming an IPS-LCD with a compensation electrode structure, comprising the steps of:

- providing a substrate;
  - forming a common electrode over a portion of the substrate;
  - forming an insulating layer to cover the common electrode and the substrate;
  - forming a compensation electrode over a first portion of the insulating layer; and
  - forming a pixel electrode over a second portion of the insulating layer;
- wherein the compensation electrode overlaps the common electrode.

Claim 32 (new) The method as claimed in claim 31, further comprising forming a through hole in the insulating layer to electrically connect the compensation electrode and the common electrode.

Claim 33 (new) The method as claimed in claim 31, wherein the pixel electrode and the compensation electrode are made of a transparent conductive material.

Claim 34 (new) The method as claimed in claim 33, wherein the transparent conductive material is ITO or IZO.

Claim 35 (new) The method as claimed in claim 31, wherein the common electrode is made of a non-transparent conductive material.

Claim 36 (new) The method as claimed in claim 35, wherein the non-transparent conductive material is Al or MoW.

Claim 37 (new) The method as claimed in claim 31, wherein the compensation electrode and the pixel electrode are coplanar.

Claim 38 (new) The method as claimed in claim 31, wherein a width W1 of the common electrode and a width W3 of the compensation electrode satisfy the formula:  $W3 - W1 \geq 1\mu\text{m}$ .